

Resolution No.: 16-808
Introduced: November 25, 2008
Adopted: December 9, 2008

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Transfers of Appropriation for the Year-End Close Out of the FY08 Operating Budget #08-234

Background

1. Section 309 of the Charter of Montgomery County, Maryland provides that transfers of appropriations between departments, boards, and commissions, or to any new account shall be made only by the County Council upon recommendation of the County Executive.
2. The County Executive recommends the attached transfers of appropriation for the year-end close out of the FY08 Operating Budget as necessary and desirable. The justifications for the recommended transfers, entitled "Justifications for Recommended Transfers of Appropriation", are also attached.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council approves the Transfers of Appropriation for the Year-End Close Out of the FY08 Operating Budget as recommended by the County Executive.

This is a correct copy of Council Action.



Linda M. Lauer, Clerk of the Council

FY 08 YEAR-END TRANSFERS OF APPROPRIATION	TRANSFERS TO	TRANSFERS FROM
FUND, FUNCTION, DEPARTMENT	\$	\$
TRANSFERS TO:		
GENERAL FUND:		
Legislative and Judicial Branch Departments		
People's Counsel		
Personnel Costs	270	
Sheriff		
Personnel Costs	543,490	
Operating Expense	<u>220,390</u>	
	763,880	
State's Attorney		
Personnel Costs	3,380	
Operating Expense	<u>62,930</u>	
	66,310	
Subtotal Legislative and Judicial Branch Departments	830,460	
 Executive Branch Departments		
Ethics Commission		
Personnel Costs	37,930	
Operating Expense	<u>2,150</u>	
	40,080	
Public Information		
Operating Expense	24,300	
Board of Elections		
Personnel Costs	1,346,350	
Operating Expense	<u>1,171,990</u>	
	2,518,340	

FY 08 YEAR-END TRANSFERS OF APPROPRIATION	TRANSFERS TO	TRANSFERS FROM
County Attorney		
Operating Expense	122,440	
 Correction and Rehabilitation		
Personnel Costs	1,035,500	
Operating Expense	412,990	
Capital Outlay	<u>56,500</u>	
	1,504,990	
 Police		
Personnel Costs	2,097,070	
Operating Expense	<u>1,160,980</u>	
	3,258,050	
 Economic Development		
Operating Expense	181,500	
 Subtotal Executive Branch Departments	7,649,700	
 TRANSFERS TO:		
 GENERAL FUND:		
Non- Departmental Accounts		
 Boards, Committees & Commissions		
Operating Expense	5,170	
 Independent Audit		
Operating Expense	24,010	
 Prisoner Medical Services		
Operating Expense	440	
 Takoma Park Police Rebate		
Operating Expense	87,000	

FY 08 YEAR-END TRANSFERS OF APPROPRIATION	TRANSFERS TO	TRANSFERS FROM
Judges Retirement Contributions		
Personnel Costs	10	
State Position Supplement		
Personnel Costs	2,660	
Working Families Income Supplement		
Operating Expense	1,249,310	
Subtotal Non- Departmental Accounts	1,368,600	
Total General Funds	9,848,760	
TRANSFERS TO:		
SPECIAL FUNDS: Tax Supported		
Recreation		
Personnel Costs	178,240	
TOTAL SPECIAL FUNDS: Tax Supported	178,240	
Total Tax Supported	10,027,000	
TRANSFERS TO:		
SPECIAL FUNDS: Non-Tax Supported		
Cable Television		
Operating Expense	123,400	
Capital Outlay	<u>2,880</u>	
	126,280	
Vacuum Leaf Collection		
Operating Expense	320,200	

FY 08 YEAR-END TRANSFERS OF APPROPRIATION	TRANSFERS TO	TRANSFERS FROM
Montgomery Hills Parking District		
Personnel Costs	2,480	
TOTAL SPECIAL FUNDS: Non-Tax Supported	448,960	
TOTAL TRANSFERS TO	10,475,960	

TRANSFERS FROM:**GENERAL FUND:****Executive Branch Departments****Technology Services**

Personnel Costs	-370,000
Operating Expense	-400,000
Capital Outlay	<u>-220,000</u>
	-990,000

Public Works and Transportation

Personnel Costs	-40,000
Operating Expense	<u>-1,190,000</u>
	-1,230,000

Public Libraries**Library Services to the Public**

Personnel Costs	-535,960
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Subtotal Executive Branch Departments**-2,755,960****TRANSFERS FROM:****GENERAL FUND:****Non- Departmental Accounts****NDA – Leases**

Operating Expense	-1,220,000
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FY 08 YEAR-END TRANSFERS OF APPROPRIATION	TRANSFERS TO	TRANSFERS FROM
NDA - Compensation Pay Adjustment		
Personnel Costs		-1,060,000
Operating Expense		<u>-110,000</u>
		-1,170,000
Subtotal Non- Departmental Accounts		-2,390,000
Subtotal General Fund		-5,145,960
TRANSFERS FROM:		
SPECIAL FUNDS: Tax Supported		
Mass Transit		
Operating Expense		-1,290,000
Capital Outlay		<u>-60,000</u>
		-1,350,000
TOTAL SPECIAL FUNDS: Tax Supported		-1,350,000
Total Tax Supported		-6,495,960
TRANSFERS FROM:		
SPECIAL FUNDS: Non-Tax Supported		
Solid Waste Disposal		
Operating Expense		-2,300,000
Capital Outlay		<u>-380,000</u>
		-2,680,000
Silver Spring Parking District		
Personnel Costs		-300,000
Operating Expense		<u>-1,000,000</u>
		-1,300,000
TOTAL SPECIAL FUNDS: Non-Tax Supported		-3,980,000
TOTAL TRANSFERS FROM		-10,475,960

FY 08 JUSTIFICATIONS FOR RECOMMENDED TRANSFERS OF APPROPRIATION**1. People's Counsel \$270**

Personnel Costs exceeded the appropriation by \$270 as a result of Personnel Costs being under-budgeted. A County Council Transfer is required because 10% transferability is not available.

2. State's Attorney \$66,310

Personnel Costs exceeded the appropriation by \$3,380 primarily as a result of lump sum leave that was paid.

Operating Expenses exceeded the appropriation by \$62,930 due to higher than anticipated transcription and translation costs. General office supplies related to the purchase of duplicate discovery materials were also higher than expected. These expenses were partially recovered by revenues related to discovery materials.

3. Ethics Commission \$40,080

Personnel Costs exceeded the appropriation due to the need for staff to work overtime to update the Financial Disclosure System.

4. Public Information \$24,300

Operating Expenses exceeded the appropriation by \$24,300 due to: a van rental; the purchase of signs, posters, bus cards, flyers and other visuals for press events; the Montgomery County Agricultural Fair space application and informational materials to hand out at the fair; repairs to copiers and other office and cable television equipment; temporary clerical support; advertisements in a wide variety of publications to draw diverse candidates to the office's Cable Television Program Manager; position and the purchase of a new chair, desk and partition to accommodate the new Cable Television Program Manager.

5. Board of Elections \$2,518,340

The Board of Elections incurred unbudgeted costs associated with acceleration of the presidential primary election including the hiring of additional staff to train 3,200 election judges during an abbreviated period of time. In addition, the department incurred unbudgeted costs related to two District 4 special elections and a separate election to fill the seat vacated by Congressman Wynn. Finally, additional legal costs were incurred due to a petition and resulting court case involving Council Bill 23-07, Non-discrimination Gender Identity.

6. County Attorney \$122,440

Additional Operating Expenses were needed in order to pay for outside contractual services mandated for Child Welfare cases. The Office of the County Attorney also required temporary staffing for the Debt Collection Unit due to work overflow.

7. Correction and Rehabilitation \$1,504,990

Personnel Costs exceeded the budget because of overtime primarily related to backfilling staff on long-term military leave or extended sick leave and to temporarily opening the last housing unit to accommodate a surge in the prisoner population.

Operating Expenses exceeded the budget largely due to unanticipated medical cost increases as well as for higher than expected equipment and supply costs.

8. Police \$3,258,050

The Police Department incurred fringe benefit costs (health and retirement) in excess of budget as well as excess compensatory leave payouts (pursuant to the collective bargaining agreement with the Fraternal Order of Police), a small overage in overtime, and lower than anticipated lapse costs because of improved recruitment and retention efforts. In addition, increased fuel costs caused an overage in motorpool costs of \$2.1 million that was offset by reduced costs of \$1.3 million in other operating expense categories.

9. Sheriff \$763,880

The Sheriff's Office incurred higher expenditures due to overtime, labor law consultants to assist staff and represent the Sheriff in collective bargaining, security guard contract costs, and software licenses.

10. Economic Development \$181,500

A County Council Transfer is required because 10% transferability is not available.

Operating Expenses exceeded the appropriation by \$181,500 because of high priority expenditures related to regional and international marketing, business development, incubator program support, and other special projects. The hiring freeze and the department's timing of hiring decisions generated lapse and turnover savings allowing it to meet its savings plan and absorb these unbudgeted expenditures.

11. NDA: Boards, Committees & Commissions \$5,170

Operating Expenses exceeded the appropriation due to higher than budgeted reimbursements for travel and dependent care expenses.

12. NDA: Independent Audit \$24,010

Operating Expenses exceeded the appropriation because of the transition to a new auditor for the audit of the Montgomery County's financial statements.

13. NDA: Prisoner Medical Services \$440

Operating Expenses exceeded the appropriation by \$440 largely due to higher than expected medical reimbursements.

14. NDA: Takoma Park Police Rebate \$87,000

A transfer in the amount of \$87,000 for this NDA is needed due to actual rebates calculated by formula being higher than budgeted.

15. NDA: Judges Retirement Contribution \$10

Actual Personnel Costs were slightly higher than budgeted.

16. NDA: State Retirement Contribution \$2,660

Actual Personnel Costs were slightly higher than budgeted.

17. NDA: Working Families Income Supplement \$1,249,310

Expenditures for the Working Families Income Supplement NDA were higher than the budget because of a higher than anticipated number of eligible recipients for the County's local Earned Income Tax Credit program.

18. Recreation \$178,240

Personnel Costs exceeded the appropriation due to higher than budgeted costs for seasonal employees and overtime. These additional costs were incurred mainly due to the following: programs and facilities experienced increased participation and visitation, and rentals and bookings increased requiring staff coverage of the meeting and activity rooms.

19. Cable Television \$126,280

Operating Expenses exceeded the appropriation due to higher than projected franchise fees and PEG revenues resulting in increased payments to municipalities. The transfer of expenditures and oversight of the Transmission Facilities Coordinating Group (Tower Committee) from the General Fund also contributed to the over expenditure.

20. Vacuum Leaf Collection \$320,200

Operating Expenses exceeded the appropriation due to higher than projected contractual costs related to contractual loaders needed to pick up wet leaves that leafers could not pick up.

21. Montgomery Hills Parking District \$2,480

Personnel Costs exceeded the appropriation because engineering and maintenance staff members charge their time based on actual workload, rather than as their salaries are budgeted. A County Council Transfer is required due to lack of 10% transferability.

Causes for the projected appropriation surpluses, which are to be transferred, are listed below:

1. Technology Services \$990,000

The surplus of \$370,000 in Personnel Costs is due to the hiring freeze and delayed hiring.

The surplus of \$400,000 in Operating Expenses and \$220,000 in Capital Outlay is due to constrained spending to meet the FY08 Savings Plan.

2. Public Works and Transportation \$1,230,000

The surplus in Personnel Costs resulted from higher than budgeted lapse.

The surplus in Operating Expenses was the result of additional savings achieved from decreased motor pool and maintenance costs to meet the FY08 Savings Plan.

3. Public Libraries \$535,960

The surplus in Personnel Costs is the result of lapse and turnover savings resulting from the hiring freeze.

4. NDA: Leases \$1,220,000

The increase in Operating Expenses and utilities was lower than the anticipated six percent.

5. NDA: Compensation Adjustment \$1,170,000

The surplus resulted from departments absorbing non-represented pay-for-performance awards.

6. Mass Transit \$1,350,000

The surplus in Operating Expenses is primarily due to slower than budgeted growth in the Call 'N Ride program and lower than budgeted lease payments due to a delay in the acceptance of 12 gas buses for Ride On that are being financed.

7. **Solid Waste Disposal \$2,680,000**

The surplus in Operating Expenses is the result of lower tonnages received, higher ferrous revenues, slightly lower residential recycling contract costs, and lower than expected leachate hauling costs due to dry weather.

The surplus in Capital Outlay is the result of capital equipment purchased for the Northeast Authority which was budgeted as Capital Outlay but treated as an Operating Expense for accounting purposes.

8. **Silver Spring Parking District \$1,300,000**

Personnel Costs were lower than budgeted in Silver Spring due to higher than anticipated lapse and greater charges to the CIP than planned.

The surplus in Operating Expenses is due to lower than anticipated debt service and lease payments.